

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE MIDDLE DISTRICT OF TENNESSEE
AT NASHVILLE**

IN RE:

**BILLY JAMES MACE,
1919 Tiny Town Road, Suite A,
Clarksville, TN 37040,
SSN: XXX-XX-3893
Debtor.**

CASE NO. 308-06124-GP3-11

ORDER ALLOWING FOR MODIFICATION OF LOANS

Upon the Motion of Michael E. Collins, the Chapter 11 Trustee in the above-styled case (the "Trustee") for approval to enter into Loan Modification Agreements with F&M Bank; and notice having been given in accordance with LBR 9013-1, and no objections having been entered; the Court hereby approves and orders the following:

1. At the time of the filing of the bankruptcy petition F&M Bank was a properly perfected and Secured Creditor in certain real estate owned by the Debtor and the Debtor was obligated to Secured Creditor on several loans including the following three loans (the "Loans"):

521277

| Original Loan Date | Loan Number | Original Principal Amount |
|--------------------|-------------|---------------------------|
| 1/25/2008 | 11389374 | \$100,000 |
| 05/28/2008 | 11389365 | \$463,919.19 |
| 04/10/2008 | 73160267 | \$320,000 |

2. The Trustee on behalf of the Debtor has agreed to and has the authority to enter into modification agreements to bring these loans within current status at F&M Bank. Attached hereto and incorporated herein as Collective Exhibit A are the Modification Agreements for each of the above Loans.
3. By signing these modifications agreements the Trustee is not waiving any rights of the estate or Debtor to further modify these loans under the Chapter 11 Plan. These Loans are fully modifiable as the Court may approve in any plan proposed by the Trustee and specifically that the Loans as modified shall not receive administrative claim priority and shall be treated in all respects as pre-petition debt.
4. These claims do not maintain any additional security or rights different from their pre-petition loans.

IT IS SO ORDERED.

This order was signed and entered electronically as indicated
at the top of the first page.

Approved for entry:

MANIER & HEROD, PC

/s/ Neesha S. Hetcher

Michael E. Collins (BPR 16036)

Neesha S. Hetcher (BPR 026579)

Attorney for the Chapter 11 Trustee

150 Fourth North Avenue, Suite 2200

Nashville, TN 37219-2491

(615) 244-0030

(615) 242-4203

mcollins@manierherod.com

nhetcher@manierherod.com

521277

MODIFICATION, EXTENSION, CHANGE IN TERMS AGREEMENT

BORROWER:

BILLY J. MACE

1919-A TINY TOWN ROAD
CLARKSVILLE, TN 37042

LENDER:

F&M BANK

Clarksville - Main Office
50 Franklin St.
Clarksville, TN 37040

ORIGINAL NOTE INFORMATION

| INTEREST RATE | PRINCIPAL AMOUNT | FUNDING DATE | MATURITY DATE | CUSTOMER NUMBER | LOAN NUMBER |
|---------------|------------------|--------------|---------------|-----------------|-------------|
| 7.500% | \$100,000.00 | 01/25/2008 | 01/25/2009 | 11389300 | 11389374 |

Effective 03/12/2010, Borrower and Lender agree that the Note, identified above, is amended as follows:

☒ **EXTENSION:** The Maturity Date of the Note is extended to 03/12/2011.☐ **INTEREST RATE:** The interest rate on the Note identified above shall be changed to:☐ A fixed rate of _____ % per annum.☐ A variable rate of _____ the Index Rate indicated below. Any change in the interest rate resulting from a change in the Index Rate will be effective on: _____.

The Index Rate used for this Note shall be: _____.

If the Index Rate is redefined or becomes unavailable, then Lender may select another index which is substantially similar.

The current Index Rate is _____ % per annum. The initial interest rate on this amended Note shall be _____ % per annum.

MINIMUM RATE/MAXIMUM RATE: Subject to applicable law, the minimum interest rate on this Note shall be _____ % per annum. The maximum interest rate on this Note shall not exceed _____ % per annum, or if less, or if a maximum rate is not indicated, the maximum interest rate Lender is permitted to charge by law.**RATE ADJUSTMENT LIMITATIONS:** The maximum interest rate increase at any one time will be _____. The maximum rate decrease at any one time will be _____ %.☒ **PRINCIPAL AMOUNT INCREASE:** The principal amount of the note shall be increased from _____ to _____.☒ **PAYMENT SCHEDULE:** Borrower shall pay the principal and interest on the Note according to the following schedule:

THIS NOTE IS DUE ON DEMAND, IF NO DEMAND THEN:

Principal and interest are due and payable in 365 days on March 12, 2011.

☒ **ADDITIONAL TERMS:****Post Maturity Interest:** Interest will accrue at the rate of 21.000% per year on the unpaid principal balance of this note not paid at maturity, including maturity by acceleration. Borrower and lender agree that any charges for failure to repay principal at maturity are not a penalty or interest, but are intended to compensate the lender for expenses arising from such delinquency or default.**INSURANCE:** If Borrower has purchased credit life or credit accident and health insurance, this insurance may only cover payments made under the existing Note.**ADDITIONAL DOCUMENTS:** Borrower agrees to execute any additional documents that Lender may request in connection with this Agreement.**RATIFICATION AND INCORPORATION:** The terms definitions and conditions of the existing Note are incorporated by this reference. Except as expressly changed herein, the terms of the Note shall remain unchanged and in full force and effect with all collateral pledged to secure the Note remaining as security therefore. Consent by the Lender to the changes contained herein does not waive Lender's right to require strict performance of the Note as changed, nor obligate Lender to make any future changes or modifications. Nothing in this Agreement shall constitute a satisfaction of the Note.**RESERVATION OF RIGHTS:** If a Borrower under the existing Note does not sign this Agreement, such Borrower will remain liable under the terms and conditions contained in the existing Note if not released from those obligations in a writing signed by Lender.**SECURITY:** Borrower agrees that all collateral given to secure the original Note shall continue to serve as collateral for the Note as hereby modified, including all interest accrued at any increased rate.**GUARANTEE:** Guarantor(s) signing below specifically consent to the terms of this Extension and Amendment to Note, and agree that it shall not in any way prejudice Lender's rights under any guaranty given for the Note.

MODIFIED NOTE INFORMATION

| INTEREST RATE | PRINCIPAL AMOUNT | EFFECTIVE DATE | MATURITY DATE | CUSTOMER NUMBER | LOAN NUMBER |
|---------------|------------------|----------------|---------------|-----------------|-------------|
| 7.500 | \$98,315.14 | 03/12/2010 | 03/12/2011 | 11389300 | 11389374 |

BORROWER WAIVES ALL KNOWN AND UNKNOWN, ABSOLUTE AND CONTINGENT, CLAIMS, DEFENSES, SETOFFS OR COUNTERCLAIMS AGAINST THE PAYMENT OF THE NOTE AND LENDER OR ITS SHAREHOLDERS, DIRECTORS, OFFICERS, EMPLOYEES AND AGENTS AS OF THE DATE OF THIS AGREEMENT. BORROWER ACKNOWLEDGES THAT BORROWER HAS READ, UNDERSTANDS AND AGREES TO THE TERMS OF THIS AGREEMENT. BORROWER ACKNOWLEDGES RECEIPT OF AN EXACT COPY OF THIS AGREEMENT.

CAUTION: IT IS IMPORTANT THAT YOU THOROUGHLY READ THE CONTRACT BEFORE YOU SIGN IT.

LENDER: F&M BANK Clarksville - Main Office

By: _____
Melanie Hadley, Vice President

| | |
|---------------|-------|
| _____ | _____ |
| BILLY J. MACE | Date |
| _____ | _____ |
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| _____ | Date |

MODIFICATION, EXTENSION, CHANGE IN TERMS AGREEMENT

BORROWER:

BILLY J. MACE

1919-A TINY TOWN ROAD
CLARKSVILLE, TN 37042

LENDER:

F&M BANK

Clarksville - Main Office
50 Franklin St.
Clarksville, TN 37040

ORIGINAL NOTE INFORMATION

| INTEREST RATE | PRINCIPAL AMOUNT | FUNDING DATE | MATURITY DATE | CUSTOMER NUMBER | LOAN NUMBER |
|---------------|------------------|--------------|---------------|-----------------|-------------|
| 5.000% | 463,919.19 | 05/28/2008 | 08/26/2008 | 11389300 | 11389365 |

Effective 03/12/2010, Borrower and Lender agree that the Note, identified above, is amended as follows:

☒ **EXTENSION:** The Maturity Date of the Note is extended to 03/12/2011.

☐ **INTEREST RATE:** The interest rate on the Note identified above shall be changed to:

☐ A fixed rate of _____ % per annum.

☐ A variable rate of _____ the Index Rate indicated below. Any change in the interest rate resulting from a change in the Index Rate will be effective on: _____.

The Index Rate used for this Note shall be:

If the Index Rate is redefined or becomes unavailable, then Lender may select another index which is substantially similar.

The current Index Rate is _____ % per annum. The initial interest rate on this amended Note shall be _____ % per annum.

MINIMUM RATE/MAXIMUM RATE: Subject to applicable law, the minimum interest rate on this Note shall be _____ % per annum. The maximum interest rate on this Note shall not exceed _____ % per annum, or if less, or if a maximum rate is not indicated, the maximum interest rate Lender is permitted to charge by law.

RATE ADJUSTMENT LIMITATIONS: The maximum interest rate increase at any one time will be _____. The maximum rate decrease at any one time will be _____ %.

☐ **PRINCIPAL AMOUNT INCREASE:** The principal amount of the note shall be increased from _____ to _____.

☒ **PAYMENT SCHEDULE:** Borrower shall pay the principal and interest on the Note according to the following schedule:

THIS NOTE IS DUE ON DEMAND, IF NO DEMAND THEN:

This note is payable in 11 payments of all accrued interest monthly beginning April 12, 2010, plus a final payment consisting of the full amount of principal, all accrued interest, charges and fees remaining due and payable on March 12, 2011. e means estimated

☒ **ADDITIONAL TERMS:**

Late Charges:

If my payment is more than 10 days late, I will pay a late charge equal to 6.000% of the payment amount or \$25.00 whichever is greater up to \$1,000.00.

INSURANCE: If Borrower has purchased credit life or credit accident and health insurance, this insurance may only cover payments made under the existing Note.

ADDITIONAL DOCUMENTS: Borrower agrees to execute any additional documents that Lender may request in connection with this Agreement.

RATIFICATION AND INCORPORATION: The terms definitions and conditions of the existing Note are incorporated by this reference. Except as expressly changed herein, the terms of the Note shall remain unchanged and in full force and effect with all collateral pledged to secure the Note remaining as security therefore. Consent by the Lender to the changes contained herein does not waive Lender's right to require strict performance of the Note as changed, nor obligate Lender to make any future changes or modifications. Nothing in this Agreement shall constitute a satisfaction of the Note.

RESERVATION OF RIGHTS: If a Borrower under the existing Note does not sign this Agreement, such Borrower will remain liable under the terms and conditions contained in the existing Note if not released from those obligations in a writing signed by Lender.

SECURITY: Borrower agrees that all collateral given to secure the original Note shall continue to serve as collateral for the Note as hereby modified, including all interest accrued at any increased rate.

GUARANTEE: Guarantor(s) signing below specifically consent to the terms of this Extension and Amendment to Note, and agree that it shall not in any way prejudice Lender's rights under any guaranty given for the Note.

MODIFIED NOTE INFORMATION

| INTEREST RATE | PRINCIPAL AMOUNT | EFFECTIVE DATE | MATURITY DATE | CUSTOMER NUMBER | LOAN NUMBER |
|---------------|------------------|----------------|---------------|-----------------|-------------|
| 5.000 | \$344,046.23 | 03/12/2010 | 03/12/2011 | 11389300 | 11389365 |

BORROWER WAIVES ALL KNOWN AND UNKNOWN, ABSOLUTE AND CONTINGENT, CLAIMS, DEFENSES, SETOFFS OR COUNTERCLAIMS AGAINST THE PAYMENT OF THE NOTE AND LENDER OR ITS SHAREHOLDERS, DIRECTORS, OFFICERS, EMPLOYEES AND AGENTS AS OF THE DATE OF THIS AGREEMENT. BORROWER ACKNOWLEDGES THAT BORROWER HAS READ, UNDERSTANDS AND AGREES TO THE TERMS OF THIS AGREEMENT. BORROWER ACKNOWLEDGES RECEIPT OF AN EXACT COPY OF THIS AGREEMENT.

CAUTION: IT IS IMPORTANT THAT YOU THOROUGHLY READ THE CONTRACT BEFORE YOU SIGN IT.

LENDER: F&M BANK Clarksville - Main Office

By: _____
Melanie Hadley, Vice President

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| BILLY J. MACE | |
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MODIFICATION, EXTENSION, CHANGE IN TERMS AGREEMENT

BORROWER:

BILLY J. MACE

1919-A TINY TOWN RD
CLARKSVILLE, TN 37042

LENDER:

F&M BANK

Clarksville - Main Office
50 Franklin St.
Clarksville, TN 37040

ORIGINAL NOTE INFORMATION

| INTEREST RATE | PRINCIPAL AMOUNT | FUNDING DATE | MATURITY DATE | CUSTOMER NUMBER | LOAN NUMBER |
|---------------|------------------|--------------|---------------|-----------------|-------------|
| 6.500% | \$320,000.00 | 07/09/2003 | 04/10/2008 | 73160200 | 73160267 |

Effective 04/13/2010, Borrower and Lender agree that the Note, identified above, is amended as follows:

☒ **EXTENSION:** The Maturity Date of the Note is extended to 04/13/2011.

☐ **INTEREST RATE:** The interest rate on the Note identified above shall be changed to:

☐ A fixed rate of _____ % per annum.

☐ A variable rate of _____ the Index Rate indicated below. Any change in the interest rate resulting from a change in the Index Rate will be effective on: _____

The Index Rate used for this Note shall be:

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The current Index Rate is _____ % per annum. The initial interest rate on this amended Note shall be _____ % per annum.

MINIMUM RATE/MAXIMUM RATE: Subject to applicable law, the minimum interest rate on this Note shall be _____ % per annum. The maximum interest rate on this Note shall not exceed _____ % per annum, or if less, or if a maximum rate is not indicated, the maximum interest rate Lender is permitted to charge by law.

RATE ADJUSTMENT LIMITATIONS: The maximum interest rate increase at any one time will be _____. The maximum rate decrease at any one time will be _____ %.

☐ **PRINCIPAL AMOUNT INCREASE:** The principal amount of the note shall be increased from _____ to _____.

☒ **PAYMENT SCHEDULE:** Borrower shall pay the principal and interest on the Note according to the following schedule:

THIS NOTE IS DUE ON DEMAND, IF NO DEMAND THEN:

This note is payable in 11 payments of all accrued interest monthly in the amount of \$1,375.45 e beginning May 13, 2010, plus a final payment consisting of the full amount of principal, all accrued interest, charges and fees remaining due and payable on April 13, 2011. e means estimated

☐ **ADDITIONAL TERMS:**

INSURANCE: If Borrower has purchased credit life or credit accident and health insurance, this insurance may only cover payments made under the existing Note.

ADDITIONAL DOCUMENTS: Borrower agrees to execute any additional documents that Lender may request in connection with this Agreement.

RATIFICATION AND INCORPORATION: The terms definitions and conditions of the existing Note are incorporated by this reference. Except as expressly changed herein, the terms of the Note shall remain unchanged and in full force and effect with all collateral pledged to secure the Note remaining as security therefore. Consent by the Lender to the changes contained herein does not waive Lender's right to require strict performance of the Note as changed, nor obligate Lender to make any future changes or modifications. Nothing in this Agreement shall constitute a satisfaction of the Note.

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SECURITY: Borrower agrees that all collateral given to secure the original Note shall continue to serve as collateral for the Note as hereby modified, including all interest accrued at any increased rate.

GUARANTEE: Guarantor(s) signing below specifically consent to the terms of this Extension and Amendment to Note, and agree that it shall not in any way prejudice Lender's rights under any guaranty given for the Note.

MODIFIED NOTE INFORMATION

| INTEREST RATE | PRINCIPAL AMOUNT | EFFECTIVE DATE | MATURITY DATE | CUSTOMER NUMBER | LOAN NUMBER |
|---------------|------------------|----------------|---------------|-----------------|-------------|
| 6.500 | \$246,263.54 | 04/13/2010 | 04/13/2011 | 73160200 | 73160267 |

BORROWER WAIVES ALL KNOWN AND UNKNOWN, ABSOLUTE AND CONTINGENT, CLAIMS, DEFENSES, SETOFFS OR COUNTERCLAIMS AGAINST THE PAYMENT OF THE NOTE AND LENDER OR ITS SHAREHOLDERS, DIRECTORS, OFFICERS, EMPLOYEES AND AGENTS AS OF THE DATE OF THIS AGREEMENT. BORROWER ACKNOWLEDGES THAT BORROWER HAS READ, UNDERSTANDS AND AGREES TO THE TERMS OF THIS AGREEMENT. BORROWER ACKNOWLEDGES RECEIPT OF AN EXACT COPY OF THIS AGREEMENT.

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LENDER: F&M BANK Clarksville - Main Office

By: _____

BILLY J. MACE

Date

Date

Date

Date

Date

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Date